Mobile connections

†2426 SHRI BALAWANT *alias* BAL APTE Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state

(a) the number of functional mobile connection (Excel) of Bharat Sanchar Nigam Limited at present,

(b) whether the said service is available on demand,

(c) if not, the State-wise number of persons on the waiting-list, and

(d) the details of the proposal formulated to cope up with the large number thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR SHAKEEL AHMAD) (a) As on 31 07 2004, the number of functional mobile connections (Excel) of Bharat Sanchar Nigam Limited (BSNL) are 41,56,654

(b) and (c) With the objective to provide the services on demand, BSNL is not maintaining any waiting list of mobile connection (Excel) However, due to heavy demand, some circles have started maintaining waiting list and the same is 4,43,483 (Kerala - 24,139, UP(E)-3,09,503, Jharkhand-1,09,841)

(d) BSNL is already in the process of expanding the present network capacity of around 6 million on date to around 9 million lines with further expansion plan to raise the countrywide capacity of mobile network to 23 million by December, 2005

Inclusion of broadband in the definition of infrastructure facility

2427 SHRIMATI KAMLA MANHAR
PROF ALKA BALRAM KSHATRIYA
SHRI ANAND SHARMA
SHRIMATI PREMA CARIAPPA
SHRI DHARAM PAL SABHARWAL

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state

† Original notice of the question was received in Hindi

(a) whether Telecom industry has demanded that broadband should be included in the definition of infrastructure facility under Section 80 (AI)4 (1) of Income Tax Act and accordingly be given ten year tax exemption;

(b) if so, Government's reaction thereto, and

(c) the details of the other major sops given/proposed to be given to broadband services by TRAI?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR SHAKEEL AHMAD): (a) and (b) Broadband has already been included under Section 80(1A) 4 (ii) of Income Tax Act No specific proposal for extending the benefits under Section 80(1A) 4(i) has been received from the telecom industry

(c) TRAI has made certain recommendations pertaining to policies for Broadband penetration in the 'Recommendations on Accelerating Growth of Internet and Broadband penetration'. A list of these recommendations submitted by TRAI to Government is given in the Statement enclosed

Statement

List of major recommendations of TRAI on broadband

1 To promote quick growth and create immediate competition in broadband services, non-discriminatory Local Loop Unbundling (LLU) should be executed in a time bound manner for both Shared Unbundling and Bit Stream Access. The owner of the local loop who is a unified access or basic services access provider (LL Operator) will have the opportunity to decide in which exchanges they want to make the investment to upgrade the infrastructure for their own use as well as for providing Bit Stream Access to access seekers. A list of such exchanges should be specified by the LL Operator for Bit Stream Access, with the expected date by which the facility would be provided This list should be provided within one month of implementation of the LLU programme. This information should be available in the public domain and regularly updated.

2 The Authority will undertake the LLU programme in a time-bound phased manner, with each phase being 3 months For those exchanges in which the LL operators choose not to provide Bit Stream Access (or are unable to provide) in the first phase of the LLU programme, LL Operators should be mandated to provide Shared Unbundling and collocation facilities The Authority will review the implementation during each phase and take action as appropriate to achieve the objectives

3 The Authority expects that LL Operators would most likely find it easier to focus on extending broadband services through their own efforts or their franchises The Authority is of the view that for introduction of a competitive stimulus, it is also important to have non-discriminatory access by others to the above-mentioned unbundled local loop of LL Operators The Authority would monitor the development in this regard, and expects that such opportunities would be provided by LL Operators to steadily increase the presence of non-franchisee access seekers during each of the phases mentioned above

4 To continue to promote roll-out of new broadband-capable infrastructure, LLU will be implemented only for lines that are five years old from 2004-05, the fiscal year of implementation of the LLU programme The same principle shall apply for all installations in the future once they complete five years Therefore, all installations that were completed before the 1999-2000 fiscal year will be subject to LLU, and at the end of the 2004-05 fiscal year, lines installed during 1999-2000 will be subject to LLU rules LL Operators will be required to submit to the Authority within 2 days of the date of issue of these recommendations a complete list of all lines and their associated year of installation into service This will be used for public reference in implementing the LLU programme In the event that identifying the installation date of lines presents a problem in achieving the goals of the LLU programme, the effective date for unbundled lines can be shifted to a later date These parameters will be revisited in the future as the Authority performs its regular reviews on the progress of achieving the goals of the LLU programme

5. An Open Sky policy should be adopted for VSAT operators, similar to what is available to ISPs and broadcasters. VSAT service providers should be allowed to work directly with any international satellite.

6. The regulation for a minimum size for a VSAT dish should be removed to allow operators further cost savings and increased operational efficiencies by taking advantage of available technologies. Additionally, throughout restrictions on VSAT services, for both uplink to the satellite and downlink to remote-stations, should be completely removed. SACFA clearance should ensure that the interference levels are within acceptable limits.

7. The license for VSAT operators should be modified so that they may provide connectivity between multiple distinct telecom service providers, such as ISPs using the same hub-station and remote-station and therefore also provide internet services directly to clients through their own ISP license. With an ISP license, a remote-station can thereby also be used as a distribution point and provide data services to multiple independent customers from that one station

8 This recommendation does not intend to cover other services such as fixed PSTN and mobile voice, and does not envision any inter-connection with a PSTN exchange/PLMN network for inter-connecting voice services

9 After submitting all relevant documents to the WPC for SACFA/ WPC clearance, the VSAT operator should be allowed to commence the installation process where the installation is on the grounds of an already authorized building,and the total height of the installation is less than five metres above the rooftop, which is sufficient to allow for safe installation. If the VSAT operator's application is rejected by the WPC or is causing interference to any other system, even if it is at a later date after clearances are granted, then the operator can be asked to cease operations at that location. Alternatively, the operator may perform installation if the clearance decision from SACFA/WPC is not obtained within one month

10 Finally, it is recommended that no SACFA/WPC clearance should be required for receive-only VSATs if the location is on the grounds of an already authorized building and the total height of the installation is less than five metres above the rooftop, which is sufficient to allow for safe installation

11 To enable Receive Only Internet Service via satellite, a DTH provider should be permitted to get an ISP license The ISP license should be permitted to allow reaching customers for downloading data through DTH and other receive-only satellite services Since this connectivity is through receive-only satellites, it should not require obtaining any further clearance or permissions from the WPC or SACFA if the installation is on the grounds of an already authorized building and the total height of the installation is less than five metres above the rooftop, which is sufficient to allow for safe installation Furthermore, there may not be a need for the NOCC fee, which is used for uplink monitoring, and this service also should not lead to further levels of fees

12 An Open Sky policy should be adopted for DTH operators, similar to what is available to ISPs and broadcasters DTH service providers should be allowed to work directly with any international satellite to ensure that a full extent of video and broadband services can be provided to a large subscriber base

13 ISPs should be permitted to provide bi-directional data services to customers using the DTH platform, and should follow the same rules and regulations as recommended for VSAT providers. This should be done while ensuring level playing field for entry and license fees in data services

14 Though the issue of license fee for all telecom services is under consultation process, it is recommended that like for other operators, concession of 2% in license fee may be given to the VSAT and DTH operators also

15 Furthermore, the definition of AGR for VSAT operators when calculating license fees should not include the sale of VSAT hardware that is required for establishing connectivity at the customer premise WPC charges of 4% should also be reduced

to 1% of AGR, in proportion to historical changes. In addition to this WPC charge of 1%, no other WPC charges like application processing fee, etc may be levied.

16. Finally, DTH operators should be exempted from spectrum royalty fees for uplinking from within India.

17. The 2.40-2.48 GHz band should be de-licensed for low-power outdoor usage, and on the basis of non-interference, non-protection and non-exclusiveness. This de-licensing should be technology-neutral. Similarly, de-licensing should also be done for the 5 725-5 85 GHz band to facilitate deployment of Wireless Access technologies for broadband. Additionally, the 5.15-5.35 GHz band should be vacated expeditiously and de-licensed to further facilitate the objectives

18. The system of frequency allocation, siting clearance, and licensing should be streamlined and made time-bound by removing cumbersome procedural requirements and also by automating Spectrum Management through immediate computerization of the WPC

19. In a point-to-multipoint network, once the base station has received WPC and SACFA clearance, remote access points within the same geography should be allowed to commence installation without WPC or SACFA clearance once applicable paper work for obtaining clearance has been submitted, and if the installation is on the grounds of an already authorized building and the total height of the installation is less than five metres above the rooftop, which is sufficient to allow for safe installation In the event that an installation causes interference, the operator should cease to operate that antenna. The WPC should respond to an application within one month of submission of paper work, with reason for denial if the installation is not allowed, otherwise the operator can assume that the installation has not been contested.

20. IND49 of the NFAP 2002 which says: "Requirements of micro cellular WLL systems based on TDD access techniques, especially indigenously developed technologies, capable of co-existence with multiple operators..." should be altered to remove

the reference to WLL This should be done so that the link between fixed wireless and mobile wireless technologies, which remains because of the former WLL regime, is corrected for current technologies and bands, and future ones

21 Furthermore, the WPC may explore alternative spectrum bands, which are not in the high demand bands, that could be used for deploying broadband services and develop pricing incentives for their usage

22 The Central Government should recommend to all State Governments that detailed GIS mapping should be required for all new infrastructure and civic projects These maps should be readily available when application is made for right of way clearance Furthermore, these projects should include ducts for future insertion of data cables when appropriate These recommendations should be then followed with legislation to ensure execution by the State Governments The Central Government may consider mandating the parameters for such ducts and for accessing them

23 Furthermore, the Central Government should recommend to all State Governments that they should actively consider giving right of way permission to operators in exchange for bandwidth provisioning to Government offices This arrangement helps bring the Government online, benefits operators, and also saves the Government from paying for access These recommendations should be then followed with legislation to ensure execution by the State Governments

24 The Central Government should legislate parameters for provisioning ROW access for telecom operators in privately owned multi-dwelling buildings and residential and commerical complexes, and for installing ducts for telecom services in all new projects of this nature

25 Access providers of local segment of leased lines, for example, BSOs should be mandated as part of their license conditions to provide local "within city" links to backhaul operators (NLDO's, IP-II operators, etc), in a time-bound manner, subject to technical feasibility

26. The Authority's recommendations regarding waiving of license fees for IP-II should be considered expeditiously by the Government. Likewise, the issue of removing the bank guarantee for these operators should also be considered. Finally, the same principle should be extended to NLD operators, BSOs, UASL operators and ILD operators for the portion of revenue earned from leased lines provided to other telecom operators.

27. The current working group of NIXI's Board of Directors should complete the process for arriving at commercial agreements and processes and make their plans and price list for services publicly available within two months.

28. Providers of backbone services, including NLDOs, BSOs and IP-II operators, should be mandated for the next two years to provide links to NIXI for ISPs if it is technically feasible.

29. The Government should consider for the first two years subsidizing the cost of leased lines from a Class B or C ISP's point of presence to a NIXI node for purposes of promoting inter-connection. The order of magnitude of this support should be 30-50%.

30. Consideration should be given to allowing 100% depreciation in first year for PCs and broadband Customer Premise Equipment (CPE) including modems and routers.

31. Consideration should also be given for tax benefits to organizations on the value of PCs, a defined by the Government through a value schedule, that they donate to schools run by the Government/local bodies, and charitable organizations.

32. Finally, consideration should also be given to removing the anti-dumping duty for recycled PCs imported into India.

33. Duties levied on inputs (parts, components and spares) and finished products used in providing broadband and internet services should be reduced to levels equivalent to that for mobile phones.

34. Additionally, the Central excise duty levied on these items should be reduced to the extent the customs duties are proposed to be reduced on a pro-rata basis, and in line with duties on imported finished goods.

35 Profits that accrue to such web hosting enterprises should be partially exempted from the income tax by at least 50% for the next 5 years

36 ISPs should be exempted from the payment of service tax, which is 8% of the value of the service provided, for the next 5 years This exemption will reduce immediately the cost of purchasing such services by 8% to the customer

37 The Government of India should also recommend to all State Governments to waive sales tax on goods and services that are transacted through electronic mode (e-commerce) for the next 5 years upto limits to be prescribed by the Government This recommendation should be then followed with legislation to ensure execution by the State Governments

38 A similar recommendation or legislation should also go from the Government of India to the State Governments to waive Entertainment Tax, currently approximately 30% in certain States, levied on broadband subscriptions and entertainment services, if they are provided through a broadband or internet platform This recommendation should be then followed with legislation to ensure execution by the State Governments

39 All corporations, whether public or private, should be allowed to give a Rs 6,000 per annum allowance to employees for broadband services access at home This allowance should be removed from taxable income for the corporation The same facility should be extended to self-employed professionals so that they may also reap the benefits of broadband services

40 A position in the Department of IT should be created for purposes of formulating and monitoring a detailed time-bound action plan and for aggressively driving efforts related to this goal The title of this position would be Project Director (e-governance) and should be at the level of Secretary to the Government of India This individual would be part of a Committee of Ministers who would facilitate in setting priorities and cross-departmental coordination since the efforts would span the breadth of the Government This Ministerial group should include the Departments of Communications and IT, Human Resource

Development, Health, Law, Finance and Commerce. The Group of Ministers should include a few eminent industry leaders to help in obtaining non-governmental inputs. The responsibility of this ministerial group would be to create a new vision for bringing India online through e-services and the Project Director shall ensure cross-departmental coordination of existing efforts that are being executed at the State and Central level as well as new initiatives in four areas: e-governance in Central Government processes and system, e-education, e-health, and e-governance by State Governments with possible funding from the Central Government. Having created that vision, s/he would be the nodal point of execution and coordination to make sure that the initiatives are implemented in a timely fashion, and goals are met.

E-post and e-bill post

2428. SHRI C. PERUMAL: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether new initiatives like 'e-post' and 'e-bill post' have been introduced in the post offices; and

(b) if so, the response from the public and the revenue generated therefrom during the period since the inception of the schemes?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD):

(a) (i) Yes, Sir E-post has been introduced in post offices throughout the country with effect from 30.01.2004.

(ii) E-bill post has been introduced in post offices with computer facilities identified on the basis of requirement indicated by the billers who wish to avail of this service for collecting bill payments from their customers

(b) The response from the public and the revenue generated for each of the above initiatives are as under:

(i) The response from the public to use e-post nationwide is improving steadily. The revenue generated from this service from 30.01.2004 to 31.07.2004, is Rs. 3,57,080/-.